

Gross charges subject to Telecommunications Excise Tax liability do not include charges paid by inserting coins in coin-operated telecommunication devices. See 35 ILCS 630/2(a)(8). (This is a GIL).

September 18, 2000

Dear Xxxx:

This letter is in response to PERSON'S letter received by our office on August 14, 2000 requesting that we direct our response to you. The nature of your letter and the information provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120 subsections (b) and (c), located at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

We have coin operated public pay telephones located in your state. After reading your sales tax rules, it appears that the coin revenue from these pay telephones would not be subject to any sales or use tax. We would like you to confirm that for us.

...

Your cooperation in this matter is appreciated.

The providing of pay telephone services do not include the transfer of any tangible personal property and are not subject to Retailers' Occupation Tax, Use Tax, Service Occupation Tax, or Service Use Tax in Illinois.

Illinois has enacted a Telecommunications Excise Tax Act that imposes a tax on the act or privilege of originating or receiving intrastate or interstate telecommunications by persons in Illinois at the rate of 7% of the gross charges for such telecommunications purchased at retail from retailers by such persons. See 35 ILCS 630/3 and 4. The Act defines gross charges as including amounts paid for the act or privilege of originating or receiving telecommunications in this State and for all services and equipment provided in connection therewith by retailers. See 35 ILCS 630/2(a). However, "gross charges" do not include charges paid by inserting coins in coin-operated telecommunication devices. See 35 ILCS 630/2(a)(8).

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b) described above.

Very truly yours,

Terry D. Charlton  
Associate Counsel

TDC:msk